

GENERAL SYNOD

JULY GROUP OF SESSIONS 2018

EIGHTH NOTICE PAPER

ITEM 8: SAFEGUARDING

ITEM 12: ENVIRONMENTAL PROGRAMMES

ITEM 511: DRAFT CHURCH OF ENGLAND (MISCELLANEOUS PROVISIONS) (No 2) MEASURE

ITEM 29: REPORT OF THE CATHEDRALS WORKING GROUP

Financial statement pursuant to Standing Order 108

1. Financial Statements under Standing Order 108 set out the estimated financial effect of implementing recommendations of reports and taking forward motions if they are passed by the Synod. In most cases figures provided are approximate, recognising the inherent uncertainty in estimating various factors. Members are asked to take this statement into account alongside non-financial factors when considering these items of business.
2. Estimates of the financial implications of any amendments proposed by Members will be provided either in a subsequent notice paper or in an oral statement from a member of the Archbishops' Council's Finance Committee who is a General Synod member (usually the Chair).
3. As agreed with the Business Committee in 2016, an item is included in this memorandum if (i) the estimated financial impact (either actual costs or savings or the opportunity cost or saving - e.g. the cost of clergy or staff time) is £20,000 or more or (ii) it is thought a statement on the estimated financial impact of a proposal is likely to be helpful to members. These thresholds are applied to the whole of any time-limited project or a period of three years for on-going activities.
4. If the cost of work on any motion, if passed, would fall to the Archbishops' Council, it would need to be met from within the Council's 2019 budget envelope which Synod will be asked to approve at the July 2018 Group of Sessions or subsequent budgets. For any work not already scheduled, the relevant Director, in consultation with others, would consider whether other work of similar cost should be dropped or postponed or if additional, unbudgeted, staff resource could be provided by securing funding from another source. Estimates of staff and clergy time are usually an opportunity cost, illustrating the cost of other work that would need to be dropped or deferred. If it is not possible to drop or defer sufficient other work, there would be an impact on the timescale for delivery of the requested work.
5. All costs are estimated at 2019 levels unless otherwise stated. Costs include relevant salaries, employers' national insurance and pension contributions. They exclude office costs such as the printing and postage costs involved in the preparation of new legislation, and the opportunity cost of Synodical time.

ITEM 8: SAFEGUARDING

6. Several elements of the priorities for action outlined in GS 2092 will need further analysis and scoping to devise a suitable range of options how each aspect of the work might be taken forward. The cost of such work – which is likely to use a mix of existing staff resource which is already budgeted for and additional costs for unbudgeted associates' time – is estimated at between £60,000 and £100,000. Some activity is also dependent upon independently commissioned work, the findings and recommendations of which will need to be received by the National Safeguarding Steering Group and decisions taken as to their implementation.
7. It is acknowledged that, depending on subsequent decisions by the National Safeguarding Steering Group and Archbishops' Council, some of the priorities for action could result in significant costs which are currently unbudgeted.
 - Estimated cost of staff time and unbudgeted associates' time to scope options for taking the priorities for action forward: between £60,000 and £100,000.

ITEM 12: ENVIRONMENTAL PROGRAMMES

8. The staff capacity for environmental work varies between dioceses. It is considered that each diocese would need staff capacity of around 0.5 full time equivalent to effectively implement part (c) of the motion. Based on our knowledge of current diocesan staff resources in this area, it estimated that additional annual investment of between £0.5m and £0.6m would be required across the dioceses.
9. It is estimated that the set up costs for the programme of work set out in part (d) of the motion would be £25,000. It is considered that an additional 1.5 full time equivalent posts would be required for three years to establish the tool as a practical proposition and promote the programme across the dioceses. The estimated staff cost is £225,000 over a three year period, i.e. the total estimated cost of this work at national level is £250,000 over three years.
10. A half time post or similar would probably be required in each diocese to coordinate the diocesan roll out and operation of the programme

envisaged in part (d) of the motion. The estimated additional annual cost of this across the dioceses is between £0.6m and £0.8m.

11. It is possible that some dioceses may be able to resource to implement the work envisaged in (c) and (d) of the motion by using volunteers and / or redeploying existing staff. This would be a matter for each diocese to consider, but for the purpose of this estimate it has been assumed that additional paid resource will be required to implement parts (c) and (d) of the motion, if approved by General Synod.
 - Estimated annual cost to dioceses of implementing parts (c) and (d) of the motion: between £1.1m and £1.4m
 - Estimated cost to the Archbishops' Council of implementing part (d) of the motion: £250,000 over three years.

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12. The proposal in clause 7 for parochial registers to be maintained in electronic form will require some systems development work, probably to create a portal for data entry and data capture. If it is assumed that the proposed requirement in clause 2(5) for the national register of clergy with an authorised ministry to be published is met by providing free online access, there will also be systems costs. Taken together it is estimated that the costs for system development will be up to £25,000.
13. There will be resource implications for staff time in any dioceses that previously have not notified the NCIs of details of all new appointments and changes to Bishops' licences. But it is not feasible to estimate this.

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14. The cost of staff time to prepare draft legislation for First Consideration as envisaged in part (b) of the motion is estimated at £30,000. If the Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £30,000. In addition, external legal advice is likely to be required on the insolvency issues regarding cathedrals. The cost of this is estimated at £25,000.
15. The National Church Institutions (NCIs) have formed a time-limited National Cathedrals Support Group to help give effect to the recommendations that do not involve legislative change as envisaged in part (c) of the motion and assist in the development of legislation. This Group is chaired by the Third Church Estates Commissioner which includes the Executive Director of the Association of English Cathedrals and staff across the NCIs whose roles involve liaising with and supporting cathedrals. It is estimated that these individuals will need to allocate an average of between one and two days per month over the next eighteen months for this work in addition to the time assumed for the legislative stream, the cost of staff time for those involved is estimated at between £100,000 and £200,000.
16. The financial implications of many of the recommendations in the report will depend on decisions to be taken by each Chapter in the light of their own circumstances and plans.
17. An updated estimate of the financial implications for cathedrals and the national Church of the proposals that will involve legislative change will be prepared as the legislation progresses. An initial analysis has identified the following:
 - It may be necessary or useful to engage a consultant to assist discussions with cathedrals on how financial reporting can be further enhanced (paras 23-32 on pages 68-70 of GS 2101A). The estimated cost of this is up to £20,000.
 - Based on recent levels of expenditure it is estimated the return to full reimbursement by the Church Commissioners of cathedrals' chancel repair liabilities will lead to the Commissioners making additional annual grants of around £70,000 with cathedrals saving the equivalent

sum. It is expected that this change would be incorporated into the Commissioners' triennial spending plans for 2020-22. As Commissioners' staff are already involved in cathedral chancel repair cases the additional cost of staff time is expected to be negligible. (para 51-53 on page 73 of GS 2101A)

18. In summary:

- Estimated cost of completing all the Synodical and Parliamentary stages of a new Cathedrals Measure: £25,000 for external legal advice and staff time cost of £60,000.
- Estimated cost of staff time for the work of the National Cathedrals Support Group: between £100,000 and £200,000 over the next eighteen months.
- Estimated costs of consultancy on financial reporting: up to £10,000.
- Estimated transfer of costs from cathedrals to the Church Commissioners on the resumption of 100% reimbursement for chancel repair liability grants: £70,000 p.a.

Canon John Spence
Chair, Archbishops' Council Finance Committee

July 2018